## AMENDED IN SENATE JUNE 1, 2010 AMENDED IN SENATE APRIL 5, 2010

## SENATE BILL

No. 1143

Introduced by Senator Liu (Coauthor: Senator Alquist)

February 18, 2010

An act to add Section 84502 to the Education Code, relating to community college funding.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1143, as amended, Liu. Community college funding.

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the 3 segments of public postsecondary education in this state. Existing law establishes a system of funding community colleges pursuant to which calculations based on the number of full-time equivalent students (FTES) enrolled in classes at the colleges are a major factor.

This bill would require the board of governors to calculate FTES using the average active enrollment in a course as of a specified census date and at course completion. The bill would authorize the board of governors to adopt an alternative and equivalent calculation method for designated types of courses. The bill would require that a decrease in FTES in a district that is due solely to a change in calculation required by this bill shall not result in a reduction in the general apportionment made to that district prior to the 2012–13 2013–14 fiscal year. The bill would prohibit implementation of the FTES calculation from resulting in a reduction in overall system funding for student enrollment or statewide requested changes in budgeted workload FTES.

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Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

- (a) The low rate of degree completion among community college students is threatening California's economic future.
- (b) In order to reach the education levels of the most competitive economies, the number of students earning college degrees in California each year must increase by more than 50 percent.
- (c) Over 70 percent of public undergraduate enrollment in California is in the community colleges.
- (d) Only 24 percent of degree-seeking students complete a certificate or associate degree or transfer to a four-year college or university within six years.
- (e) Under current law, community colleges receive most of their annual funds based on student enrollment in the third week of each semester.
- (f) This method of allocating funds creates an incentive for community colleges to enroll students, but no fiscal incentive for those colleges to help students complete their courses and earn degrees. Currently, only about 60 percent of community college courses are successfully completed.
- (g) Many of today's community college students require extensive academic and student support services to remain enrolled and succeed. Community colleges lack the resources and the incentives to invest in this level of student support.
- SEC. 2. Section 84502 is added to the Education Code, to read: 84502. The For purposes of calculating changes in full-time equivalent students (FTES) enrollment pursuant to paragraphs (1) to (6), inclusive, of subdivision (d) of Section 84750.5, the rules and regulations prescribed pursuant to Section 84500 shall calculate full-time equivalent student enrollment using the average active enrollment in a course as of the census date at the one-fifth point and at course completion.
- (a) The board of governors may adopt an alternative and equivalent calculation method for the following:
  - (1) Short term credit courses.

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- 1 (2) Irregularly scheduled credit courses.
- 2 (3) Open entry/open exit courses.
- 3 (4) In-service training courses.
  - (5) Noncredit courses, except for distance education courses.
  - (6) Apprenticeship classes of related and supplemental instruction.
    - (7) Tutoring courses.

- (b) The board shall adopt one or more weighting factors for the full-time equivalent students (FTES) FTES calculation in order to ensure that districts do not have a disincentive to enroll students from demographic groups with historically lower rates of course completion, including low-income students as measured by Pell Grant eligibility, English language learners, students with disabilities, and students entering with English or Math, or both, competencies below college level.
- (c) A decrease in the FTES of a district that is due solely to the change in calculation required by this section shall not result in a reduction of revenue apportioned to that district pursuant to Section 84750.5 prior to the 2012–13 2013–14 fiscal year.
- (d) The implementation of the FTES calculation prescribed by this section shall not result in a reduction in overall system funding for student enrollment or statewide requested changes in budgeted workload FTES. Notwithstanding Section 84750.5, the funding rates per FTES set forth in subdivision (d) of Section 84750.5 shall be adjusted by dividing the appropriation for FTES in the Budget Act of 2010 by the number of FTES calculated pursuant to the calculation prescribed by this section.